



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

JULY 12, 2005

PRESENT: Acevedo, Benich, Escobar, Koepp-Baker, Lyle, Mueller

ABSENT: None

LATE: None

STAFF: Community Development Director (CDD) Molloy Previsich, Director of Business Assistance and Housing Services (DBAHS) Toy, Senior Civil Engineer (SCE) Behzad, Planning Manager (PM) Rowe, and Minutes Clerk Johnson

Chair Lyle called the meeting to order at 7:00 p.m., by leading the flag salute.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Lyle presented the opportunity for public comment.

Determining that none were attendance to address matters not appearing on the current agenda, Chair Lyle closed the time for public comment.

MINUTES: The minutes of June 28, 2005 will be consider at the next regularly scheduled meeting.

***Note:** the agenda items 2 and 3 were moved and considered at the beginning of the meeting to facilitate discussion and potential action.*

NEW BUSINESS:

**2) UP-05-01/
VAR-05-01:
CALLE
HERMOSA-CITY
OF M.H.
BUTTERFIELD
WELL PUMP
STATION**

A request for a conditional use permit and variance from the required front and rear yard setbacks for a proposed Municipal Water Well and Well House Building to be located on the north side of Calle Hermosa in the Central Park residential development, north of E. Central Ave.

PM Rowe presented the staff report, noting this item contains two parts of a request:

- 1) approval for a Conditional Use Permit
- 2) variance for setbacks

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Providing background data, PM Rowe indicated that the City had - in 2004 – declared a water supply emergency due to the detection of perchlorate in two production wells, which necessitated construction of a temporary municipal well at the indicated location. As a condition of approval for a Temporary Use Permit (TUP) for continuation of the operation of the municipal well and pump station, the applicant is required to file and receive approval of a conditional use permit to allow the operation beyond the initial one-year period. PM Rowe explained that the applicant is also requesting approval for a variance from the requirements of a 20-foot front setback and a 20-foot rear setback under Ordinance No. 1595.

PM Rowe called attention to revisions of the draft Resolution, whereby the location is clearly identified and the City's responsibility for landscaping included. Several conditions were noted in PM Rowe's report:

- the color scheme for the facilities will be the same as those in the immediate neighborhood
- materials for the roof will be identical to those used in the area
- with the well location in linear (park) open space adjacent to Warmington Homes, relocation of the path around the facility will be necessary
- the City will be responsible for landscaping of the facility
- the variance of 17 feet setback within the RPD is indicated at this location as a requirement of the hydraulic study and is in keeping with the surrounding areas

Commissioner Benich asked if the CUP will remain in effect for a specific time period or until it is rescinded? [When it is rescinded.]

Commissioner Mueller inquired if the houses across the street are occupied? SCE Behzad answered, indicating that to the best of her knowledge, the units have been pre-sold pending construction. During the ensuing discussion, SCE Behzad informed that because the developer was going through the selling process, disclosure regarding the installation of the well and pump station must be made. Commissioner Mueller called attention to the chemical storage room and asked if that would be part of the disclosure? SCE Behzad said she would check on the item to ensure compliance.

Commissioner Mueller continued by asking why the facility is being planned at this location? "If it were moved 25-feet to the north toward the business park, then there would be minimal impact; however, where this is now located, it will have a much greater impact at this site." Commissioner Mueller expressed doubt a hydrology study would have prevented a move 30-feet to the north. SCE Behzad explained why: the well facilities had to be moved to the center of the open space, as the owner of the property to the north had indicated a total lack of interest in selling a small portion of land for the well site. Commissioner Mueller remarked Venture Corporation needs to be more cooperative with the City.

PM Rowe reminded the original placement was due to an emergency following the discovery of perchlorate in the existing City Wells.

Chair Lyle opened the public hearing.

Glenn Ritter, 17895 Calle Tierra, addressed the Commissioners, saying he is a temporary employee of the City, but was not speaking as an employee, but as an area resident. Mr.

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Ritter indicated he was in favor of the well, but had some concerns of the use of the linear park as a site for the well and pump station. Mr. Ritter said he had seen the plans that indicate stopping of the open space trail at the well site. "However, I did not see plans for landscaping," Mr. Ritter said, as he asked for 'sufficient landscaping for the neighborhood. Mr. Ritter indicated that when he purchased his house, he was told there would be a park at this location.

With no others present to address the matter, the public hearing was closed.

PM Rowe advised this proposal is consistent with what was originally proposed. Responding to questions from the Commissioners, PM Rowe explained the location of the 'tot lot' and said that it must be repositioned in the open space area, as the developer originally got points for this type of amenity and must fulfill that commitment.

Discussion ensued regarding the upkeep of the landscaping and the negotiations with South Valley Developers regarding the location of the 'tot lot'. It was determined that the well site as well as the location of the 'tot lot', will be reviewed by the Architectural Review Board (ARB). SCE Behzad stated that the City has completed the architectural requirements for the projects and will physically install the 'tot lot' and recreational amenities at the site

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 05-36, APPROVING A CONDITIONAL USE PERMIT TO ALLOW THE CONTINUED OPERATION OF A MUNICIPAL WELL AND PUMP STATION LOCATED EAST OF BUTTERFIELD AND SOUTH OF JARVIS DRIVE IN THE R-1 7,000 RPD ZONING DISTRICT, WITH THE FINDINGS AND CONDITIONS THEREIN, including the addition to:

K. Other Conditions:

- 2. *The City will be responsible for installing the path and landscape improvements as part of the pump station construction.***

COMMISSIONER ACEVEDO PROVIDED THE SECOND TO THE MOTION WHICH PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 05-37, APPROVING A VARIANCE ALLOWING A SEVENTEEN FOOT FRONT SETBACK FOR THE SOUTH PROPERTY LINE AND A ONE-FOOT REAR SETBACK FOR THE NORTH PROPERTY LINE FOR A MUNICIPAL WELL AND PUMP STATION LOCATED EAST OF BUTTERFIELD AND SOUTH OF JARVIS DRIVE IN THE R-1 7,000 RPD ZONING DISTRICT, WITH THE FINDINGS AND CONDITIONS WITHIN. COMMISSIONER BENICH SECONDED THE MOTION, WHICH CARRIED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

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**3) ZA-05-06:
CITY OF M.H.-
GENERAL
INDUSTRIAL
DISTRICT
AMENDMENT**

An amendment to Title 18, Chapter 18.38, MG General Industrial District of the Morgan Hill Municipal Code to include concrete batching plants as a permitted use in the MG zoning district. Concrete batching plants are currently listed as a conditional use in the MG zoning district.

DBAHS Toy presented the request, noting the applicant is in the in process of purchasing the site and wants assurance that zoning will allow a concrete batch plant. DBAHS Toy said he was uncertain whether the applicant intends moving the operations for several years, as he detailed some of the potential impacts: Noise, dust, etc. DBAHS Toy suggested the commissioners might want to restructure zoning for the site to make it more definitive.

Commissioner Mueller said he would favor a Planned Unit Development (PUD) overlay for the property which would be beneficial to both the City and the applicant.

PM Rowe indicated an understanding that the purchase of this site is ‘not a done deal’, and the applicant may locate to a different site. Commissioner Mueller argued for picking this site with a PUD overlay so the standards could be ‘worked through’.

Discussion followed regarding:

- Structure height (now limited to 50-feet {the ARB is to study})
- Difficulty in putting together information for a CUP because of the ‘unknowns’

PM Rowe advised that with a CUP, there is typically a 1 – 2 year window for review; development of the batch plant could be 3 - 5 years, consequently the zoning option has been looked at as a way to achieve flexibility at this site.

Commissioner Benich remarked, “In other words, this is a 2-way street with the requirement of a high level of trust.”

Commissioner Mueller insisted: “A CUP is not the proper way to go.”

Responding to a question from Chair Lyle with respect to performance standards, CDD Molloy Previsich clarified such outcomes. Chair Lyle continued by asking for an accounting with regard to alternatives for a PUD, including placement of the PUD overlay, time and expense.

Commissioner Acevedo pointed out that the City is the applicant. “While that is true, DBAHS Toy said, the City does not really have an idea of what the project will be.

Commissioner Mueller returned to the proposal of a PUD overlay, explaining that the way the Commissioners had done such matters in the past, a PUD overlay was put into place which then allowed the applicant to present an exact/precise plan at the time of a proposed action. “We might have to consider many conditional changes, but those can be accomplished with the PUD overlay,” Commissioner Mueller declared.

Chair Lyle once more queried about the length of time for accomplishing the objective. CDD Molloy Previsich said that if the Planners are dealing with only one parcel - as in this case – the goal could be accomplished in about four weeks.

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Commissioner Acevedo raised the issue that if a concrete plant is placed on the site, should an at-grade crossing at Mast Street be considered, explaining he didn't recall such a proposal from the General Plan. PM Rowe advised that was not in the General Plan and further that the State PUD would not approve such an installation.

Chair Lyle opened the public hearing.

Anthony Goularte, 130 E. Main Avenue, told the Commissioners that he had expressed an interest in the property, but wanted assurance regarding the height issue, as his stack-pump is 'about 57-feet with, another 7-feet for the dust collector'. Mr. Goularte said his business does generate noise and dust, while noting that the design he is looking into is called 'low-pro' (low profile) and are being constructed 'all over the State', as he explained that the design at his current location (which does not have dust collector), and while assuring the Commissioners a dust collector is planned for installation at this location and will include storage, as well. Mr. Goularte continued by advising the Commissioners that at the current location, half of the yard is covered by hard surfaces, whereas here, the whole yard will be hard surfaced. Mr. Goularte said, "The City initiated the action to help out the family business", as he assured the Commissioners he will work to cooperate in all ways with the City. Mr. Goularte noted that the property currently under discussion is relatively a dirty site downtown, as he vowed to 'clean up at this site'. As to the proposal by Commissioner Mueller, Mr. Goularte said he would be in favor of that, as he expects to end up at this location, with preparation for closing escrow September 14, 2005.

CDD Molloy Previsich reminded that after the probable August Commissioner consideration, the matter will go back to the City Council.

With no others present indicating a wish to speak to the matter, the public hearing was closed.

Commissioner Mueller explained why having PUD overlay would be beneficial. "As the applicant goes through the site design process, he may run into many issues which would have to be addressed by variances. This PUD overlay would be a much simpler solution, plus it would give increased flexibility.

Chair Lyle commented that a PUD overlay would involve minimal cost and could be quickly done.

Commissioner Acevedo asked, "Would it be of concern that there might be a potential for batch plants to pop up all over the City? How much land is left for MG zoning, and how big a concern is there that manufacturing might occur at the current location?"

DBAHS Toy pointed out that the applicant has agreed to have the PUD overlay.

COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO TABLE THE MATTER OF ZA-05-06: CITY OF M.H.-GENERAL INDUSTRIAL DISTRICT AMENDMENT TO THE NEXT AVAILABLE MEETING, PENDING THE PLAN FOR A PUD OVERLAY BEING COMPLETED FOR PRESENTATION. THE MOTION CARRIED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE;

ABSTAIN: NONE; ABSENT: NONE.

OLD BUSINESS:

**1) ZA-04-14:
DOWNTOWN
PARKING TEXT
AMENDMENT**

A request to amend Municipal Code Chapter 18.50 Off-Street Parking and Paving Standards to incorporate changes to the parking standards for the Downtown area as recommended by the City's Downtown plan. Proposed changes include the elimination of the on-site parking requirement for commercial and office uses and the elimination of guest parking requirement for residential uses.

CDD Molloy Previsich gave the staff report, stating that this item was continued from the parking management study discussion at a prior meeting, when the Commissioners had noteworthy comments and suggestions for the draft document, and requested revision and reconsideration before the matter was seen by the City Council.

CDD Molloy Previsich indicated that various boundary scenarios had been developed in keeping with the Commissioners direction. She presented four options to be considered by the Commissioners, along with the Text Amendments. CDD Molloy Previsich highlighted areas of the Parking Text Amendments, which include a sunset provision within the Ordinance, requiring development of a downtown parking strategy for the post-2007 sphere.

Responding to a question from Chair Lyle, CDD Molloy Previsich explained that in 1986 the City Council established an in-lieu parking fee schedule with a CPI/inflation factor built in. Inclusive in the Parking Text Amendments, CDD Molloy Previsich said, were recommendations that if there are not on-site parking spaces, the developer could pay an in-lieu fee. CDD Molloy Previsich asked that the Commissioners be specific in making recommendations of the amendments.

PM Rowe spoke of the Commissioners' comments at the last meeting when staff was asked to prepare specific exhibits. PM Rowe explained the staff recommendations regarding the various locations [staff report: page 2 Exhibits A – B- C- D and spoke on the 'opportunity sites' of the Downtown Plan).

CDD Molloy Previsich noted that if the Commissioners were to consider Exhibit D, they could also accept the City Council plan or expand it. PM Rowe explained the location(s) of the 'opportunity sites'.

Commissioners raised the following issues in discussion with staff:

- would parking be open to the public (there is an operating assumption in the draft parking management plan: new residential parking would be open to public to fulfill the downtown of requirements) [CDD Molloy Previsich said there does not appear to be staff support, but she would study such a proposal more fully]
- would a permit be available for guest parking in the event of public parking on the streets
- there is *not* a lot of capacity in the public lots, so to get Downtown Implementation Plan underway, the underutilized lots will *need to* be more utilized
- private owners may try to get cars towed (that would negate the in-lieu fee concept)
- there is exempt process now for property on Monterey Road and Third Street

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(even without request for exemption process)

- parking for downtown appears adequate (with restaurants open at night, and businesses during the day there would be a 'split' for parking)
- consideration of 300-foot limit for parking requirements
- considerable discussion of the in-lieu fee
- the Monterey Road corridor and the effect on Downtown (PM Rowe explained there may be an intensification of use for parking at that location and if business are transferred: ex; restaurant to retail business that would have a greater effect)

Chair Lyle opened the public hearing.

Chair Lyle then addressed Roche Garcia, 1000 Old Quarry Road, San Jose, a local developer who was in the audience, "You have heard the discussion of housing issues in the Downtown. Do you agree or disagree with public parking in that area?"

Mr. Garcia indicated he will – as part of his building plans - provide two spaces of private parking in a garage setting for each of the town homes he builds. Mr. Garcia also said that other locations in the City provide adequate public parking.

With no others present indicating a wish to address the matter, the public hearing was closed.

Commissioner Benich stated, "I don't feel comfortable exempting guest parking. Any applicants should minimize emphasis on parking," as he indicated a preference for Exhibits A.

Commissioner Escobar said he felt 'between a rock and a hard place', as the element of exemption has not been explored enough. "We're working on a tight time frame now;

I'm open to all the exhibits (Exhibits A-D)", Commissioner Escobar stated.

Commissioner Acevedo spoke of the discussions at the last meeting, and stated he was 'against the Exhibits as presented. "I feels what is existing today is adequate. What we need for economic development is there. I don't think there is a need to give incentives to build downtown. If the allocations are available, there will be building." Commissioner Acevedo asserted. "I think we should be talking with a parking structure in mind, but otherwise, I'm not interested. What is in place now, is adequate."

Commissioner Koepp-Baker reported she has lived where it was necessary to get a permit to park. Commissioner Koepp-Baker related other regulations which she felt were 'not tenable' for Morgan Hill. "I believe residential units should have parking and the commercial areas should have 'free for all' parking. However, I do feel that all business and commercial use builders must provide parking for the public." CDD Molloy Previsich broached the matter of a commercial component of mixed-use with the parking 'built in'? Commissioner Koepp-Baker responded, "If customers can't get to a business by parking nearby, they may not patronize that business. On the other hand, the business may not build if there is not nearby parking, but the developer will go to residential building." Commissioner Koepp-Baker also commented that she didn't think long-term parking leases were viable.

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Commissioners indicated:

- in order to get things started downtown (until a better study is done), commercial users may have to be content with available parking nearby
- looking at a short- term measure for alleviation highlights the need for planning for expansion
- the City appears to be handcuffed; there are only efforts to deal with short-term solutions
- needs of the future in the downtown area
- a completed parking study will provide a way for more practical strategy, plus an implementation plan
- the City Council has said consideration of a larger area for Downtown Plan may be feasible
- the City can live with plan for a two -year window
- a lot of the problem downtown is a downtown private parking problem
- the City doesn't have enough public parking
- there is not efficient use of downtown land
- the need for larger parking lots for parking
- exemption of visitor parking for all projects (not sure if needed for larger projects)
- the in-lieu fee may not be a deterrent to downtown development
- as indicated in the proposed Resolution, Municipal Code Chapter 18.50.025 would only apply to small projects
- appropriateness of the CPI in the original (1986) Ordinance
- need for a true index at building lot cost
- in-lieu fees as stated are low

Agreement by the Commissioners caused Chair Lyle to re-open the public hearing at the request of Mr. Garcia.

Mr. Garcia said that on Third Street he was going ahead with the promenade as planned, but on Fourth Street, there would be 'angled parking'. As in my case at the Sunsweet site, Mr. Garcia stated, we would have only two entries into the site, but considerable angled parking. Mr. Garcia declared that he thought the staff report was 'selling short' as to the number(s) of parking on the street.

CDD Molloy Previsich clarified that Mr. Garcia was optimistic that there would be more on-street parking available. Mr. Garcia stated the number of spaces would be increased from 10 to 18.

Discussion followed with Mr. Garcia, staff and the Commissioners regarding businesses and parking on the south side of Third Street.

Noting no others present to speak to the matter, Chair Lyle closed the public hearing.

Discussion continued with Commissioners making observations:

- Commissioner Mueller - could live with a variation of Exhibits A and B, but leaned towards A
- Chair Lyle – there is a narrow focus between Depot and Monterey Streets; downtown must get larger; perhaps going further west on between 2nd and 4th Streets.

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- Commissioner Acevedo pointed out currently available space
- Commissioners Escobar and Koepp-Baker would favor a 'sunsetted, modified A.

Chair Lyle next polled the Commissioners as to those in favor of an in-lieu fee approach to parking: Commissioners Escobar, Mueller, and Koepp-Baker would support.

As to guest parking, a compromise could be considered, with Commissioner Benich stating the he thought that guest parking for 15 units or less would not involve a payment, but if the project was larger than 15 units, the City should reserve the option of a fee. Commissioner Escobar agreed. Commissioner Mueller said that by doing that, it would limit the potential for small residential developments. Chair Lyle disagreed and offered explanation. Commissioner Escobar reiterated that larger projects could be assessed the in-lieu fee.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 05-34, WITH 'MODIFIED EXHIBIT A': (TO READ) NORTH OF EAST FIFTH ST., SOUTH OF E. MAIN AVE., WEST OF DEPOT ST., EAST OF MONTEREY RD, TOGETHER WITH PARCELS FRONTING THE WEST SIDE OF MONTEREY ST. BETWEEN WEST MAIN AVE. AND WEST DUNNE AVE., AND ALL PARCELS LOCATED ADJACENT TO WEST OF MONTEREY FROM MAIN AND 5TH STREETS, AND WEST OF DEPOT ST., WITH AN ADDITIONAL AMENDMENT:

Section 4 B. to include payment of the in lieu fee for projects larger than 15 units which do not provide the required number of guest parking spaces,
AND RECOMMENDING APPROVAL OF THE AMENDMENT TO THE MORGAN HILL MUNICIPAL CODE CHAPTER 18.50 OFF-STREET PARKING AND PAVING STANDARDS. COMMISSIONER BENICH SECONDED THE MOTION, NOTING THE INCLUSION OF THE FINDINGS AND CONDITIONS CONTAINED WITHIN. THE MOTION PASSED WITH THE FOLLOWING VOTE: AYES: BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: ACEVEDO (as he explained: "I would be on board if this was taking care of commercial issues; I do not see the value to exemptions for office space and residential."); ABSTAIN: NONE; ABSENT: NONE.

NEW BUSINESS:

(continued):

**4) GPA-04-07/
ZA-04-14:
MORGAN HILL
DOWNTOWN
PLAN-
SUNSWEEET
PROPERTY**

An amendment to the General Plan text to increase the density on a 3.5 acre site known as the "Sunsweet Property" which encompasses APN's 726-13-032, 033, 034, 041, 042, 043 & 044. The proposed text amendment would allow the residential density on the site to increase from 8-18 dwelling units per acre to 25-40 dwelling units per acre. Also proposed is the rezoning of the "Sunsweet Property" as a Planned Unit Development PUD.

CDD Molloy Previsich presented the staff report, noting that in order to implement the Downtown Plan's specific development and design parameters for the Sunsweet site, the proposed PUD ordinance has been prepared with requirements for the development of a precise development plan addressing all of the development perimeters listed within the Downtown Plan for the site. Consequently, the amendment before Commissioners, CDD Molloy Previsich reported, details a different approach for achievement, and the staff

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report details additions (of paragraphs) to the Residential Land Use Designation section of the Community Development Chapter of the General Plan.

CDD Molloy Previsich offered explanation of several issues:

- property owner's concerns about the previously proposed PUD
- possibility that a CUP and the requirements for same is an inhibitor for mixed-use (study completed re: food services, mixed use and offices along Third Street indicate some hampering)
- opportunity for flexibility if Commissioners wants some office space on ground floors
- possibility of structuring Ordinance to Sunsweet site, which would allow market to 'catch up'
- retention of CUPs for office space/use
- establishment of separate downtown fee schedule
- height requirements (property owner objects to a limit of 2 stories - nearby 4 stories); proposed ordinance takes this into consideration [confusion/conflict of the issue appears indicated on page 5 (#5); CDD Molloy Previsich advised that the applicant has requested, and it is in the guidelines, that all items carried forward within the downtown Plan suggested maximum building heights of 30']

CDD Molloy Previsich said that at this time, staff is recommending approval of the General Plan Text Amendment, as well as that of the PUD zoning designation and guidelines.

Commissioner Acevedo noted that was the second item during this meeting which covers downtown issues. "Was the Downtown Association notified?" he asked? PM Rowe said he had met with representatives of the Downtown Association yesterday. That organization is in the process of preparing a written response for the City Council's meeting of July 27. Commissioner Mueller commented that it was unfortunate that the Commissioners did not get input for this meeting from either the Downtown Association or the Economic Development Subcommittee. PM Rowe stated that with respect to density, the Downtown Association membership had originally provided a consensus to having 35-40 units per acre. This was confirmed, he said, at the recent meeting; those in attendance indicated that by not reducing the ratio. Furthermore, as to allocating ground floor office, there should remain requirements for Conditional Use Permits, and first attracting retail for the ground floor. PM Rowe said there was concurrence to stay with the Downtown Plan and indication they would poll the general membership for reporting to the City Council.

DBAHS Toy reported that the position of the Economic Development Subcommittee was a desire to see higher density. Commissioner Mueller commented that was interesting, as the economic report would suggest lower density(s) with limitations to single units and duplexes. CDD Molloy Previsich indicated it is unknown if the Subcommittee has had currently available information. Chair Lyle mentioned that it seems inconsistent that the groups want higher density, but haven't weighed in on building heights on Depot Street.

Commissioner Mueller indicated thinking that even if the density were set at 40 units per acre, there might be still be parking issues.

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Chair Lyle opened the public hearing.

Barton Hechtman, 847 The Alameda, San Jose, addressed the Commissioners on behalf of Rocke Garcia (Glenrock), owner of most of the Sunsweet properties. Mr. Hechtman said this is an unprecedented action: a City rezoning for private development; he suggested it would have perhaps been completed for a Redevelopment Agency instead. Mr. Hechtman told the Commissioners the City must have the property owners input as to what will work; if not, the plan becomes 'unworkable', he said. "If an owner can't economically build, it won't work", Mr. Hechtman said. "Mr. Garcia has asked the City Council not to approve PUD regulations that couldn't be financed nor sold. The City Council agreed and Mr. Garcia has been working with City staff for the past 6 months." Mr. Hechtman indicated some miscommunications with some of the items, as he distributed documents indicating requested changes to Resolutions No. 05-39 and 05-40, including Exhibit A, which he then addressed in detail:

Resolution No. 05-39

Resolution No. ~~04~~ 5-39

Resolutions No. 05-39, Section 3: ~~034, 041~~

Noted that parcel 033 is owned by the City (in talks with Glenrock to acquire)

Resolution No. 05-40: APN ~~034, 041~~

Section 4: ~~seven~~ five

Exhibit A:

Area: ~~034~~

Permitted uses: (add)

F: Entry to second and third floor space

G: Office uses in first floor locations, subject to CUP requirements described below

Conditional uses for parcels within the PUD fronting on Third Street

Commencing five (5) years after first occupancy of the first floor space

Delete: *and finding of consistency with the Downtown Plan*

~~A. Commercial~~

Permitted uses....

~~B. Professional~~

(page 2)

Permitted uses....

A. (add) Single family, attached, duplex, and

B.

Development Guidelines...

A. ...back to avoid massing. ~~distance of at least fifteen feet~~

B. ...setback, adjacent to the 25-foot promenade

C. ~~should~~ is encouraged to

D. ~~should~~ is encouraged to

E. ~~No parking lot~~ Only one vehicle.....Street. ~~except for a mid block entrance to public parking lot~~

F. Delete all

Development Guidelines for Depot Street Frontage

A. ~~should~~ shall

B. ~~a minimum of 15 feet~~ an average of 5-feet.

Development Guidelines for Depot Street Frontage

- A. ~~should~~ *shall*....two [add: *and one half*] stories ...height (~~30~~ 40) [with an
- B. added reference to *sunken parking*]
- C. ...15 ft. ~~and~~ to

General Design Guidelines:

- E. ~~should~~ *are encouraged to*
- H. ~~should~~ *are encouraged to*
- J. All *uses and designs that satisfy the guidelines describes, above, shall be deemed consistent with the guidelines.....*

Parking and Circulation Guidelines:

Delete items A, B, C, D, E; realphabetizing items F, G, and H.

As to parking: While the City wants to achieve at least 25 units per acre, Glenrock believes it can only be achieved by defining the perimeter of the buildings and also the interior, with the interior set to meet density if level underground parking is allowed, otherwise the density can't be achieved. Glenrock, Mr. Hechtman said, generally is envisioning two parking stalls under each of the units, with access on Third and Fourth Streets through an easement on lot 041.

Chair Lyle asked how many commercial stalls will be provided, having noted the area will be commercial and office uses along Third Street.

Mr. Garcia said there are ***no*** plans for provision of commercial parking, reiterating there will be two stalls per residential unit. He also said that with the recommendation (of the immediately past Commission action) he will consider paying in-lieu fees.

Responding to a question from Commissioner Mueller about parking on the west side of Third street, , PM Rowe clarified the matter by referencing the staff report.

Discussion ensued regarding occupancy, vacancies, the CUP, and compatible uses.

Commissioner Mueller expressed concern that what Mr. Hechtman had outlined was 'not in concert with the technical assistance provided for the Downtown Plan'. "This is asking for latitude on a proposal just presented. How can a consensus be reached between the consultant and what you are proposing?" he asked. Mr. Hechtman responded that everyone will see what the architect's plan looks like. It may be better than the consultants, he said. Mr. Hechtman urged the Commissioners to try to leave the design and 'let the creative process have it's day, so we will see what can be envisioned'.

Mr. Garcia told the Commissioners there were two particular issues he wanted to address:

1. His reputation: "I'm known for building high quality and am in talks with architects who have downtown projects in small cities, and that he plans to build quality high-end town homes"
2. While it involves high cost of production, let's produce quality, Mr. Garcia urged

Mr. Garcia continued that the reason he wants three stories on Depot is so that the

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residents can get a great view of the eastern foothills. “We want people to come downtown and live who have the financial wherewithal to do so. Views will be important to them.”

Discussion ensued regarding:

- office space on first floors
- possible tenants for office space
- on Depot 48-feet high builds would be more conducive to residential rather than retail or office
- whether it would be financially feasible for retail on second floors
- pedestrian friendly designs amount of commercial space on Third Street

With no others present to speak to the matter, the public hearing was closed.

Commissioner Mueller noted a problem with changes being presented to resolutions at the last minute without the Commissioners and/or staff having not looked through them.

Commissioners and staff discussed:

- parking lot on site
- density
- boundary issues (which parcels the PUD applies to)
- parking lot issues
- office uses – whether Conditional Use Permit is appropriate for first floor occupancy building height issues
- inconsistency with Downtown Plan
- whether the Downtown Plan is part of the General Plan (the implementing instruments are part of General Plan requirements)
- in-lieu fee/schedule

Commissioner Acevedo said he has very strong sentiment regarding the placement of office space on the first floor, but there needs to be direction ‘to get to where we have retail, but the greatest need is to do something - to get it started. We need a ‘carrot’ and that can be the incentive of first attaining retail on the first floor to get the residential going.”

Percentages of space for various uses were discussed at length. DBAHS Toy spoke on the vacancy rates downtown and told of the sentiment of side-street relocation to the main street.

Commissioner Mueller stated that without completion of the visioning process, the City may have a hard time attracting retail because of the lack of critical mass, ‘so we have to have more flexibility of allocations’. He continued by saying there is need to have minimum square footage on commercial and retail, and a need for establishment of minimums, otherwise ‘how can we get a core for the critical mass’.

Chair Lyle suggested 25% for office and/or personal services; other Commissioners concurred.

CDD Molloy Previsich indicated that the City Council favors streamlining the process so ‘we can make downtown happen’ and in this case, we can do it quicker, she said.

PM Rowe provided clarification regarding density issues from the guidelines.

Building heights were further discussed, as was noise (train), density, and parking.

With the concurrence of the Commissioners, Chair Lyle reopened the public hearing.

Mr. Garcia said, 'all down parking is shared resource', as he talked about his plans for a sunken garage and angled street parking. "We don't have a problem with providing parking, but if we are paying for that parking, it will be strictly for our tenants," he said.

Chair Lyle indicated uncertainty as to the requirements for public parking.

Mr. Hechtman referenced Lot 033 (City lot) and said there had been discussions regarding a 'land swap' with the public parking being on City-owned property. He attested to previous discussion with DBAHS Toy regarding the matter.

Commissioner Koepp-Baker noticed that at the last meeting the Commissioners had been told that the City does not have plans for a parking lot. DBAHS Toy explained the City's perspective was to 'forget the parking lot and put in more housing'. "Originally the Downtown Plan thought parking was a good idea, but that has received reconsideration by the City" he said.

Commissioner Escobar noted there was need for coordinated efforts so that 'when people are ready to make a move, the City will be ready to make a commitment to developers'. He said it had appeared clear that the City had been speculating on putting in a parking lot, but not now. Chair Lyle called attention to the document where it is stated the City must provide parking lots.

Commissioner Mueller suggested staff continue working toward resolution of the parking issues. Chair Lyle agreed that the City needs to come up with a plan. CDD Molloy Previsich cited the need to work on a site plan for mixed-use, which appears limited.

Commissioner Koepp-Baker talked of residential parking, but stated if commercial interests are present, the City must look at parking somewhere, as she spoke of the need for customers to park near where they are doing business.

Commissioner Mueller said, "There must be provision for parking downtown. The Downtown Plan has the right idea for parking. We have a parking problem in the area and I think there is a need for land swaps, etc. to make it happen." He went on to suggest giving general direction to staff so they and the applicant can have the opportunity to work the matters out.

Discussion – between Commissioners, staff, Mr. Garcia and Mr. Hechtman - continued regarding parking.

Mr. Garcia referenced parcel #034, which he said is 'already a parking lot' and explained a proposal for taking the street all the way through.

PM Rowe told of long-term agreements on property between Second and Third Streets.

Mr. Garcia explained the location of proposed and existing parking lots.

Mr. Hechtman suggested indicating that parking must be done when residential units are completed, assuring that the architects can design the project to provide throughway to the interior.

Chair Lyle said it should be a coordinated effort.

Commissioner Acevedo agreed, but said it would be hard to do without advice.

Commissioner Koepp-Baker led discussion regarding requirements for an average square footage for retail in downtown.

CDD Molloy Previsich noted there was need to evaluate a plan as presented to staff and Commissioners for evaluation against PUD standards, and advised that the Commissioners can still condition and/or change the plans.

Commissioner Mueller spoke on residential requirements being unalterable, as they are so restrictive.

Commissioner Escobar commented that both the City and the developer is looking for a certain level of activity, which is 'now unknown'.

Chair Lyle confirmed that the consensus of the Commissioners was a need for returning the matter to staff for further review with an identified need for Mr. Garcia to project figures which are reasonable for a 'fit'/natural tie into some constraints of the PUD.

Mr. Garcia said he planned a meeting on Friday July 22 with the architects.

Issues identified as unresolved were:

- ~~15 foot or 5 foot setback on Depot~~
- other areas/locations for consideration of setbacks
- Exhibit A, page 3 item b building design

BY VERBAL CONSENSUS, COMMISSIONERS DIRECTED STAFF TO REVIEW AND PRESENT THE MATTERS INDICATED AGAIN.

Commissioner Acevedo asked Mr. Garcia of the plan which represented a traffic circle at Third Street and Depot: what happened to it? Mr. Garcia responded the City 'threw it out'.

COMMISSIONERS ACEVEDO/ESCOBAR MOTIONED TO CONTINUE THE MATTER OF GPA-04-07/ZA-04-14: MORGAN HILL DOWNTOWN PLAN-SUNSWEEET PROPERTY TO A FUTURE MEETING DATE, AND PROVIDED STAFF DIRECTION TO MEET WITH THE APPLICANT TO FIND RESOLUTION OF THE ISSUES RAISED. THE MOTION PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; NONE WERE ABSENT.

PLANNING COMMISSION MEETING MINUTES

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- 5) GPA-05-01:** An amendment to the Circulation Element of the General Plan, eliminating the Planned Transportation System East-West roadway extension of Madrone Parkway as a two lane collector street from Monterey Rd. to Hale Ave.
- CITY OF M.H.-AMEND CIRCULATION ELEMENT/MADRONE PARKWAY RR CROSSING** PM Rowe presented the staff report, noting that work on the environmental review was still 'in progress' and anticipated it would be received by July 27th.
- Chair Lyle opened the public hearing.

With no persons present indicating a wish to speak to the matter, the public hearing was closed.

COMMISSIONERS MUELLER/BENICH MOTIONED TO TABLE THE MATTER OF GPA-05-01: CITY OF MORGAN HILL-AMEND CIRCULATION ELEMENT/MADRONE PARKWAY RAILROAD CROSSING FOLLOWING RECEIPT AND STAFF REVIEW OF ENVIRONMENTAL REVIEW MATERIALS. THE MOTION PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, BENICH, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

ANNOUNCEMENTS: PM Rowe reported that the City Council meeting of July 6 had yielded agreement with recommended RDCS standards and criteria amendments of the Commission Subcommittee, and introduced the Ordinance regarding same.

Responding to a question from Commissioner Acevedo, PM Rowe gave an overview of the procedures for Commissioner candidate interviews to be heard on July 20, 2005.

COMMISSIONER ISSUES: Chair Lyle requested agendaizing a discussion regarding concerns that the Downtown Plan may need some additional flexibility for allotments. "If more allotments are received/made available in one year, and less in another year, it appears the City gives the ability for flexibility under Measure C," he explained.

ADJOURNMENT: Verifying that there was no further business to come before the Commissioners at this meeting, Chair Lyle adjourned the meeting of the Commission at 10:40 p.m.

MINUTES PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk